

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Seminole)	DOCKET NO. 891367-EU
Electric Cooperative, Inc., and)	ORDER NO. 22713
Jacksonville Electric Authority for)	ISSUED: 3-20-90
Determination of Need for Seminole)	
Plant-Keystone-JEA Firestone 230 kV)	
Transmission Line Project.)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 BETTY EASLEY
 GERALD L. GUNTER

Pursuant to notice, the Florida Public Service Commission held a hearing in Tallahassee, Florida on February 7, 1990.

APPEARANCES: CHERYL G. STUART, Esquire and RICHARD D. MELSON, Esquire, Hopping, Boyd, Green & Sams, 123 Calhoun Street, Tallahassee, Florida 32301
On behalf of Seminole Electric Cooperative, Inc. and Jacksonville Electric Authority.

MICHAEL A. PALECKI, Esquire, Florida Public Service Commission, Division of Legal Services, 101 East Gaines Street, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff.

DEBRA SCHIRO, Esquire, Florida Public Service Commission, General Counsel's Office, 101 East Gaines Street, Tallahassee, Florida 32399-1862
Counsel to the Commissioners.

ORDER APPROVING ELECTRICAL TRANSMISSION LINE

BY THE COMMISSION:

Pursuant to the provisions of Section 403.537, Florida Statutes, and Rules 25-22.075 and 25-22.076, Florida

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Administrative Code, Seminole Electric Cooperative, Inc. (Seminole), and Jacksonville Electric Authority (JEA) jointly filed a petition on December 15, 1989, to determine need for a proposed Seminole Plant-Keystone-JEA Firestone 230 kV Transmission Line (the proposed project).

The Commission held a public hearing on February 7, 1990. Notices of the hearing and the filing of the petition were given in accordance with applicable statutes and rules, and were provided to persons requesting notice, to counties and regional planning councils in whose jurisdiction the transmission line could be placed, by publication in the Florida Administrative Weekly, and in newspapers of general circulation no later than twenty (20) days prior to the date of the hearing.

As provided in Section 403.537, Florida Statutes, the Commission was required to take into account the following factors in determining the need for a proposed transmission line:

[T]he need for electric system reliability and integrity, the need for abundant, low-cost electrical energy to assure the economic well-being of the citizens of this state, the appropriate starting and ending point of the line and other matters within its jurisdiction deemed relevant to the determination of need.

FINDINGS OF FACT

Seminole presented the testimony of John R. Twitchell and Barbara V. Ziberna, and JEA presented the testimony of P.G. Para in support of the petition.

The proposed Seminole Plant-Keystone-JEA Firestone 230 kV Transmission Line will be located in Putnam, Clay and Duval counties. The proposed project will originate at the Seminole Plant in Palatka and terminate at JEA's 230 kV Firestone substation in Jacksonville. In addition, the line would serve Seminole's existing Riverview and Florahome substations in Putnam County and Seminole's existing Keystone and Black Creek substations in Clay County.

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The approximate length of the proposed transmission line is 73 miles. The portion of the line in Putnam and Clay counties (approximately 66 miles) will be owned and operated by Seminole. The portion of the line in Duval County (approximately 7 miles) will be owned and operated by JEA. The proposed in-service date of the proposed transmission line is 1994.

Seminole's capital cost estimate for its portion of the project is \$23,539,100 in 1989 dollars. This estimate is based on the assumption that Seminole's portion of the transmission line will be approximately 66 miles in length, of which approximately 39 miles will use existing right-of-way. JEA's capital cost estimate for its portion of the project is \$3,946,000 in 1989 dollars, based on the assumption that JEA's portion of the transmission line will be approximately 7 miles. The total estimated cost of the project in 1989 dollars is \$27,485,100.

The record reveals that the proposed 230 kV system is needed to improve the reliability of service to Seminole consumers in Northeast Florida. Seminole serves a growing area in Northeast Florida from a 44 mile, radial 69 kV transmission line. Substations served by radial transmission service have only one source of electricity. Substations that depend on radial service thus will encounter loss of load whenever there is a loss of their source (for example whenever the transmission line is out of service). Looped service provides a higher degree of reliability because there is more than one source. Thus, substations served by looped service have the ability to withstand a single contingency (eg. loss of a transmission line) without suffering loss of load.

Because of the size of their load and length of exposure, the radially served Keystone, Florahome and Riverview substations are in need of reliability improvements. In addition, voltage conditions at these substations will be unacceptable in 1994. The proposed transmission source is needed in order to improve voltage conditions, and to provide a higher degree of reliability with looped service.

The proposed 230 kV line is also needed to improve the transfer capability of the Seminole system. Seminole presently interconnects with Florida Power Corporation (FPC)

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and Florida Power & Light Company (FPL) and expects to interconnect with Tampa Electric Company (TECO) by 1993. In order to exchange power with JEA, Seminole must now wheel through FPL. For Seminole to conduct transactions with utilities outside Florida, FPL or FPC must have sufficient transmission capacity to support the transaction. In the past, interstate transmission capacity has been available on a low priority basis. Seminole will benefit from an interconnection with JEA, which has better access to generation capacity outside the State of Florida than does Seminole. This interconnection will provide Seminole with the option of purchasing capacity when it is economically available from outside Florida.

The record reveals that the proposed project will give Seminole the benefit of directly serving a portion of its load without using another utility's system. Seminole now purchases transmission service from FPL and FPC to wheel power from Seminole's resources to its load. The proposed project allows Seminole an economic alternative to its wheeling contracts. Seminole's contracts with FPL and FPC may terminate as early as the years 2004 and 2013, respectively. Upon termination of the contracts, the cost and availability of transmission service will be uncertain. The proposed project will insure Seminole's ability to economically serve that portion of its load now being wheeled by FPL to Seminole's Black Creek, Keystone, Florahome and Riverview substations.

In addition to meeting Seminole's need for improved reliability, the proposed project would substantially increase reliability of service to JEA's Firestone substation. The Firestone substation currently serves JEA's largest customer, the Jacksonville Naval Air Station. JEA's Firestone substation also provides backup transmission service to the Cecil Field Naval Air Station, JEA's sixth largest customer. In 1994, the voltage at Firestone will be unacceptable under contingency situations. An additional 230 kV circuit to Firestone will prevent future overloads and low voltage conditions on the JEA system.

The proposed transmission line would also improve the transfer capability of the JEA system. JEA currently has interconnections in Florida with only one utility, FPL. Interconnection with Seminole would allow the two utilities to exchange power without wheeling through a third utility. The additional interconnection will also give JEA a second utility to wheel through for transactions within Florida.

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Further, the project will give JEA another path to deliver FPL's capacity from the St. Johns River Power Park and the Applied Energy Services (AES) Cedar Bay Qualifying Facility to FPL. The project would help provide JEA with sufficient transmission capacity to deliver power from these facilities to FPL if there was a loss of both circuits from the Normandy to Duval 230 kV substations, and would therefore increase the reliability of service between JEA and FPL.

Finally, the proposed project improves reliability of service to the Firestone substation and allows JEA to avoid some system improvements it would otherwise need.

The record reflects that the estimated economic benefit of the project to Seminole consumers, over the study period of 1989-2008, is \$48.2 million (cumulative present worth in 1989 dollars). The savings from this project would result from decreased wheeling charges, lower transmission losses and a change in system dispatch.

The estimated economic benefit of the proposed project to JEA customers, over the study period of 1989-2008, is \$544,000 (cumulative present worth in 1989 dollars). These savings would result from deferred capital improvements and decreased wheeling charges which are partially offset by increased system losses.

CONCLUSIONS OF LAW

Based upon the foregoing, we conclude as follows:

1. The construction and operation of the Seminole Plant-Keystone-JEA Firestone 230 kV transmission line will enhance electric system reliability and integrity.
2. The construction and operation of the Seminole Plant-Keystone-JEA Firestone 230 kV transmission line will improve the availability of low-cost electrical energy within the State of Florida.
3. The Seminole Plant in Palatka (Putnam County) and JEA's Firestone 230 kV substation in Jacksonville

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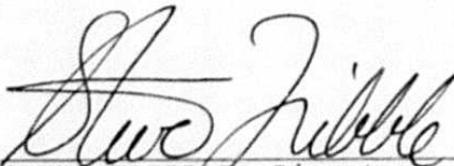
(Duval County) are appropriate starting and ending points for the proposed 230 kV transmission line.

Therefore, it is,

ORDERED by the Florida Public Service Commission that the Joint Petition to Determine Need filed by Seminole Electric Cooperative, Inc. and Jacksonville Electric Authority, is hereby granted. It is further

ORDERED that the Seminole Plant-Keystone-JEA Firestone 230 kV Transmission Line is determined to be needed as provided in Section 403.537, Florida Statutes.

By ORDER of the Florida Public Service Commission this 20th day of March, 1990.


STEVE TRIBBLE, Director
Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen

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(15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.